GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:641
ANSWERED ON:18.11.2016
Cloning of Credit/Debit Cards
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints regarding cloning of debit / credit cards in the recent past;

(b) if so, the details thereof along with the cases filed for cloning of ATM cards during the last three years and current year;

(c) whether the Government has taken any measures to check such frauds in future and if so, the details thereof;

(d) whether the Government is reviewing the operating hours of ATMs and if so, the details thereof; and

(e) whether the Government proposes to encourage plastic money along with ATM and if so, the details thereof along with the steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (e): Data on frauds related to ATM / Credit / Debit cards & Net banking related frauds reported by the banks during last three years and current year, as informed by RBI is given below:
(Amount in Rs. Crores)
Area of operation April 2013-March 2014 April 2014- March 2015 April 2015-
March 2016 April 2016 - 15 November 2016
No. of Cases Amount (Rs. in crore) No. of Cases Amount (Rs. in crore) No. of Cases Amount (Rs. in crore) No. of Cases Amount (Rs. in crore)
Credit Cards 7890 55 10382 42 9849 46 2138 13
ATM/Debit Cards 1307 8 2498 14 6585 31
1643
21

The measure initiated by RBI to prevent such frauds is given below:
RBI has issued circular dated June 26, 2006 on 'Skimming of ATM/Debit/Credit Cards', advising banks to take various preventive measures to combat frauds relating to skimming or duplicating of credit cards. The banks, inter alia, were also advised to inform to customers not to reveal PIN in response to requests received through e-mail, to periodically verify the transaction history to ensure its correctness and if any unauthorized transaction observed it should be immediately reported to the bank and inform the bank if the card is lost or stolen.

(ii) RBI has issued instructions to banks and Authorized Payment Networks that all cards issued after Jan.31, 2016 are to EMV Chip and PIN. For Cards issued under PMJDY/BSBDA only EMV Chip and PIN cards are to be issued after Sept.30, 2016. The existing Magstripe cards are to be migrated to EMV Chip and PIN by Dec.31,2018.

(iii) RBI has issued instructions to banks/ WLAs and Authorized Payment Networks that all existing ATMs installed and operated by them are enabled for processing of EMV Chip and PIN by Sept. 30, 2017. All new ATMs shall necessarily be enabled for EMV Chip and PIN processing from inception.
(iv) RBI has issued instructions to banks regarding un-bundling of charges (Merchant Discount Rates Structure) for different categories of cards at the time of acquisition. This will also lead to increase in acceptance of card transactions at POS.
(v) RBI has also issued instructions to banks on Sept.29, 2016 for Aadhaar based authentication for card present transactions wherein the banks were advised that all new card present infrastructure has to be enabled for both EMV Chip and PIN and Aadhaar (biometric validation) acceptance. It will also lead to higher use of cards at acquiring infrastructure (POS).
(vi) ATM facility is available to customers round the clock generally excepting the places were hit on low / high risk which remain closed during night hours.
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